

MINUTE ITEM

7/12/66

31. PROPOSED OIL AND GAS LEASE, TIDE AND SUBMERGED LAND, SACRAMENTO AND CONTRA COSTA COUNTIES - W.O. 6115 (PARCEL B).

After consideration of Calendar Item 39 attached, and upon motion duly made and carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO OFFER FOR OIL AND GAS LEASE, PURSUANT TO DIVISION 6 OF THE PUBLIC RESOURCES CODE, A PARCEL OF 600 ACRES MORE OR LESS OF TIDE AND SUBMERGED LANDS IN THE SAN JOAQUIN RIVER AND FALSE RIVER, SACRAMENTO AND CONTRA COSTA COUNTIES.

THE LEASE AWARD IS TO BE MADE TO THE QUALIFIED BIDDER OFFERING THE HIGHEST CASH-BONUS PAYMENT IN CONSIDERATION OF THE ISSUANCE OF AN OIL AND GAS LEASE.

THE BID-LEASE FORM TO BE UTILIZED SHALL BE THE FORM APPROVED AND ADOPTED BY THE STATE LANDS COMMISSION ON APRIL 29, 1965 (MINUTE ITEM 32, PAGE 11,152), AS MODIFIED HEREIN AND DETAILED IN EXHIBIT 1 (W.O. 6115) ON FILE IN THE OFFICE OF THE COMMISSION, AND HEREBY MADE A PART HEREOF BY REFERENCE. THE LEASE RENTAL IS TO BE \$1.00 PER ACRE PER YEAR; THE DRILLING TERM IS TO BE ONE YEAR; THE LEASE WILL BE MADE SUBJECT TO THE CONDITION SHOWN IN EXHIBIT "A" ATTACHED; WITHIN 60 DAYS FROM AND AFTER THE DATE OF CESSATION OF DRILLING OPERATIONS IN THE FIRST WELL, THE LESSEE SHALL COMMENCE OPERATIONS FOR THE DRILLING OF THE NEXT WELL; OPERATIONS FOR THE DRILLING OF EACH SUCCEEDING WELL THEREAFTER ARE TO COMMENCE WITHIN 60 DAYS FROM AND AFTER THE CESSATION OF DRILLING OPERATIONS IN THE PRECEDING WELL; THE PERFORMANCE BOND IS TO BE IN THE PENAL SUM OF \$20,000. EACH BID IS TO BE ACCOMPANIED BY A CHECK OR CHECKS, REPRESENTING \$1,000 PLUS ONE HALF OF THE AMOUNT OF THE CASH BONUS OFFERED. THE AREA TO BE OFFERED, DESIGNATED AS W.O. 6115 (PARCEL B), IS DESCRIBED IN EXHIBIT "B" ATTACHED.

Attachment

Calendar Item 39 (3 pages)

39.

PROPOSED OIL AND GAS LEASE, TIDE AND SUBMERGED LAND, SACRAMENTO AND CONTRA COSTA COUNTIES - W.O. 6115 (PARCEL B).

On December 16, 1965 (Minute Item 36, page 12,065), the Commission authorized the Executive Officer to proceed, as required by Section 6873.2 of the Public Resources Code, with the publication of a notice that the Commission intends to consider offering a lease for the extraction of oil and gas from a tract of tide and submerged lands in portions of the San Joaquin River, False River, Taylor Slough and Piper Slough, situate in the Counties of Contra Costa and Sacramento. The Public Resources Code provides that any affected city or county may, within 30 days after the publication of such notice, request in writing to the Commission that a hearing be held with respect thereto. The notice was published December 23 and December 30, 1965.

On January 18, 1966, the Board of Supervisors of Contra Costa County transmitted a letter to the State Lands Commission requesting that the staff consult with the U. S. Army Corps of Engineers, prior to offering said lands for lease, to determine if any conflict existed in connection with construction of the proposed Deep Water Shipping Channel Improvement Project from San Francisco Bay to the Port of Stockton, authorized by the Rivers and Harbors Act approved October 27, 1965. The Corps of Engineers has recommended to the staff that bidders comply with the conditions contained in Exhibit "A" attached.

IT IS RECOMMENDED THAT THE STATE LANDS COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO OFFER FOR OIL AND GAS LEASE, PURSUANT TO DIVISION 6 OF THE PUBLIC RESOURCES CODE, A PARCEL OF 600 ACRES MORE OR LESS OF TIDE AND SUBMERGED LANDS IN THE SAN JOAQUIN RIVER AND FALSE RIVER, SACRAMENTO AND CONTRA COSTA COUNTIES.

THE LEASE AWARD IS TO BE MADE TO THE QUALIFIED BIDDER OFFERING THE HIGHEST CASH-BONUS PAYMENT IN CONSIDERATION OF THE ISSUANCE OF AN OIL AND GAS LEASE.

THE BID-LEASE FORM TO BE UTILIZED SHALL BE THE FORM APPROVED AND ADOPTED BY THE STATE LANDS COMMISSION ON APRIL 29, 1965 (MINUTE ITEM 32, PAGE 11,152), AS MODIFIED HEREIN AND DETAILED IN EXHIBIT 1 (W.O. 6115) ON FILE IN THE OFFICE OF THE COMMISSION, AND HEREBY MADE A PART HEREOF. THE LEASE RENTAL IS TO BE \$1.00 PER ACRE PER YEAR; THE DRILLING TERM IS TO BE ONE YEAR; THE LEASE WILL BE MADE SUBJECT TO THE CONDITION SHOWN IN EXHIBIT "A" ATTACHED; WITHIN 60 DAYS FROM AND AFTER THE DATE OF CESSATION OF DRILLING OPERATIONS IN THE FIRST WELL, THE LESSEE SHALL COMMENCE OPERATIONS FOR THE DRILLING OF THE NEXT WELL; OPERATIONS FOR THE DRILLING OF EACH SUCCEEDING WELL THEREAFTER ARE TO COMMENCE WITHIN 60 DAYS FROM AND AFTER THE CESSATION OF DRILLING OPERATIONS IN THE PRECEDING WELL; THE PERFORMANCE BOND IS TO BE IN THE PENAL SUM OF \$20,000. EACH BID IS TO BE ACCOMPANIED BY A CHECK OR CHECKS, REPRESENTING \$1,000 PLUS ONE HALF OF THE AMOUNT OF THE CASH BONUS OFFERED. THE AREA TO BE OFFERED, DESIGNATED AS W.O. 6115 (PARCEL B), IS DESCRIBED IN EXHIBIT "B" ATTACHED.

Attachments

Exhibits "A" and "B"

EXHIBIT "A"

1. DRILLING AND PRODUCTION EQUIPMENT SHALL NOT BE LOCATED CLOSER THAN 750 FEET FROM THE CENTERLINE OF THE EXISTING STOCKTON DEEP WATER CHANNEL TO THE CONFLUENCE WITH FALSE RIVER.

EXHIBIT "B"PARCEL B

TIDE AND SUBMERGED LANDS LYING IN THE BED OF THE SAN JOAQUIN RIVER ADJACENT TO SHERMAN ISLAND AND FALSE RIVER ADJACENT TO BRADFORD ISLAND IN THE COUNTIES OF CONTRA COSTA AND SACRAMENTO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE ORDINARY HIGH WATER MARK ON THE NORTH-WESTERLY BANK OF THE SAN JOAQUIN RIVER WITH A CALIFORNIA COORDINATE SYSTEM ZONE 3 NORTH-SOUTH GRID LINE HAVING AN X VALUE OF 1,654,974.62, WHICH INTERSECTION BEARS SOUTHERLY 75 FEET MORE OR LESS FROM A BRASS CAP SET IN CONCRETE DESIGNATED AS MONUMENT "SHADD 1951" ON SHEET 6 OF 45 OF A MAP OF "SURVEY OF THE ORDINARY HIGH WATER MARK", DATED FEBRUARY 1953, AND ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION, SAID MONUMENT HAVING ZONE 3 CALIFORNIA COORDINATES OF  $X = 1,654,974.62$  AND  $Y = 566,999.92$ ; THENCE FROM SAID POINT OF BEGINNING NORTHERLY AND EASTERLY ALONG THE ORDINARY HIGH WATER MARK TO THE SOUTHERN BOUNDARY OF GAS LEASE AGREEMENT E. 415, WHICH BOUNDARY IS A LINE DRAWN THROUGH THE SOUTHWEST CORNER OF SWAMP AND OVERFLOW SURVEY NO. 530 HAVING ZONE 3 CALIFORNIA COORDINATES OF APPROXIMATELY  $X = 1,648,200$  AND  $Y = 573,750$ , AND UNITED STATES ENGINEER'S STATION "VENICE U.S.E. 1931" HAVING ZONE 3 CALIFORNIA COORDINATES OF  $X = 1,703,873.39$  AND  $Y = 569,243.99$ ; THENCE EASTERLY ALONG SAID BOUNDARY TO A POINT ON THE ORDINARY HIGH WATER MARK ON THE EAST BANK OF THE SAN JOAQUIN RIVER; THENCE FROM SAID POINT SOUTHERLY ALONG THE ORDINARY HIGH WATER MARK TO THE JUNCTION OF THE SAN JOAQUIN RIVER WITH FALSE RIVER; THENCE FROM SAID JUNCTION EASTERLY ALONG THE ORDINARY HIGH WATER MARK ON THE NORTH BANK OF FALSE RIVER TO THE INTERSECTION WITH A CALIFORNIA COORDINATE SYSTEM ZONE 3 NORTH-SOUTH GRID LINE HAVING AN X VALUE OF 1,666,325.82; THENCE SOUTHERLY ALONG SAID GRID LINE TO A POINT ON THE ORDINARY HIGH WATER MARK ON THE SOUTH BANK OF FALSE RIVER, WHICH POINT BEARS NORTHERLY 40 FEET MORE OR LESS FROM A BRASS CAP SET IN CONCRETE DESIGNATED AS MONUMENT "JERSEY 1951" ON SHEET 38 OF 45 OF A MAP OF "SURVEY OF THE ORDINARY HIGH WATER MARK", DATED FEBRUARY 1952, AND ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION, SAID MONUMENT HAVING ZONE 3 COORDINATES OF  $X = 1,666,325.82$  AND  $Y = 568,414.63$ ; THENCE FROM SAID POINT WESTERLY ALONG THE ORDINARY HIGH WATER MARK TO THE JUNCTION OF FALSE RIVER WITH THE SAN JOAQUIN RIVER; THENCE FROM SAID JUNCTION WESTERLY AND SOUTHERLY ALONG THE ORDINARY HIGH WATER MARK ON THE SOUTH BANK OF THE SAN JOAQUIN RIVER TO THE INTERSECTION WITH A CALIFORNIA COORDINATE SYSTEM ZONE 3 NORTH-SOUTH GRID LINE HAVING AN X VALUE OF 1,654,974.62; THENCE NORTHERLY ALONG SAID GRID LINE TO THE POINT OF BEGINNING, CONTAINING 600 ACRES MORE OR LESS.